collected and will be laid on the Table of the House.

Stink of another stock scam

991. SHRI G. Y. KRISHNAN: Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been invited to the news-item appearing in the "patriot", New Delhi dated 28th June,1994, under the caption "Stink of yet another stock scam";

(b) if so, the facts of the matter;

(c) the reaction thereto. and

(d) what timely steps Government have taken to balk it?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) Yes, Sir.

(b) It has been noticed that in some of the recent public issues, large scale benami share applications have been lodged using the instrument of 'Stockinvest'. The Income Tax Department had conducted an investigation into the allegation of a large number of applications made in fictitious names in respect of the public issue of equity shares by State Bank of India and had seized certain share certificates and refund orders from the office of the Registrars to the issue. The Income Tax Department had also restrained the Registrars from despatching some share certificates and refund orders. State Bank of India had advised the Registrars to reject all multiple and benami applications besides incomplete or inaccurately filled applications.

(c) and (d) The Reserve Bank of India (RBI) had conducted a scrutiny of the operation of the Stockinvest scheme at the branches of a few banks in Bombay and Ahmedabad. This revealed irregularities in the working of the scheme such as issue of stockinvest in bulk to share brokers, corporate bodies and financial institutions, issue of stockinvest against inadequate deposit, issue of predated stockinvest and transfer of stockinvest to third parties. RBI brought these irregularities to the notice of the the banks concerned with instructions to initiate immediate action to rectify the irregularities, including fixation of staff accountability.

The Working Committee of the Stockinvest Scheme consisting of representatives of Securities and Exchange Board of India, Indian Banks Association and Reserve Bank of India reviewed the working of the scheme at its meeting held on June 29, 1994 and suggested some modifications in the scheme to prevent the recurrence of irregularities in its working.

World Development Report

992. SHRI ASHOK MITRA:
SHRI K. R. MALKANI:
SHRIMATI RENUKA CHOWDHURY:

Will the Minister of FINANCE be pleased to state:

(a) whether the latest World Development Report by the World Bank came out against Government underwriting of a minimum return for infrastructural investments by the private sector;

(b) if so, whether Government will reconsider the decision to guarantee a minimum rate of return in the power sector on investments by foreign companies; and

(c) whether Government proceeded nonetheless to underwrite the returns for foreign private power plants; and

(d) whether Government would consider to accord the same treatment to domestic public undertakings such as Bharat Heavy Electricals?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEHAR MURTHY): (a) The report discusses different aspects like